

The complaint

Mr K complains about several service issues with Vanquis Bank Limited (Vanquis).

What happened

Mr K had a credit card from Vanquis. In October 2021, the balance was £3,454 and the limit was £3,500. Mr K ran into financial difficulty and in October 2021, Vanquis agreed a payment plan which included monthly payments of £34 per month. In April 2022, this was extended for a further four months through to August 2022. Interest was charged in October 2021 (£97.00); November 2021 (£55.51); April 2022 (£34.18) and May 2022 (£15.54). Monthly payments were all made on time. In May 2022 and June 2022, the payment was duplicated as an additional monthly payment of £34 was made by debit card. This was refunded both times to Mr K's bank account.

Mr K complained. He said 1) Interest shouldn't have been charged when he was on a payment plan 2) he couldn't access his account while on the payment plans and so couldn't monitor his account. This meant he didn't realise that payments to the account were duplicated. He had been told that this was because he was on a payment plan – but that was an error. Vanquis later told him it was because he had entered the wrong password. He said that couldn't be the reason - as he hadn't changed it and was certain it was correct. 3) the duplicated payments to the account were an error by Vanquis 4) Several calls with Vanquis dropped out 5) Vanquis' response to his complaint didn't deal with the charging of interest or the duplicated payments.

Vanquis said that Mr K couldn't access his account online because he entered the password incorrectly. They apologised that Mr K had wrongly been told it was because he was on a payment plan. They apologised for some of the calls dropping out – which may have been due to connection problems. They had tried to call Mr K back but without success. On the monthly payments, £34 was paid monthly under a Continuous Payment Authority (CPA). But in May 2022, this was duplicated as a debit card payment was also made. Vanquis paid compensation of £75 for the matters they addressed in the final response.

Mr K brought his complaint to us. Our investigator said Vanquis acted reasonably in dealing with the complaint. They'd dealt with the various issues; and in addition he noted that Vanquis refunded interest of £232.82 in June 2022.

Mr K didn't agree and asked that an ombudsman look at his complaint. So it has come to me to do that.

I made a provisional decision which said:

I will deal with Mr K's complaint points in turn:

Interest charged when he was on a payment plan:

I can see that Mr K entered a payment plan in October 2021 which included payments of

£34 each month. I asked Vanquis for evidence that they'd set out the terms of the payment plan to Mr K in writing – but unfortunately, they couldn't provide anything. I can see the agreement to the payment plans were made on the phone – Vanquis' call notes show this. I listened to the call which set up the second payment plan – on 12 April 2022. The call handler, while professional and helpful, didn't state whether interest would be charged or not. But I agree – in such circumstances, it would be normal practice not to charge interest on a payment plan. And in the call on 20 June 2022, Vanquis' call handler agreed that interest shouldn't have been charged on either of the payment plans.

She went on to refund interest of £232.82 – this being interest charged for the months of October 2021, November 2021, April 2022, and May 2022. This was the right thing to do, and Vanquis put things right at that stage.

Access to the account while on the payment plans:

Mr K said he couldn't log on to his account during the payment plans and so couldn't monitor his account. He was told on a call on 20 June 2022 that this was because he was on a payment plan – this was an error by Vanquis. In fact, the reason was that Mr K entered his password incorrectly. I looked at Vanquis' records and they confirm he entered the wrong password three times on 17 June 2022, and was then locked out. So - it does appear that was the reason. I know Mr K will disagree, but the records I've seen are conclusive here.

Duplicated payments to the account:

Mr K says this was an error by Vanquis. I listened to the call on 12 April 2022 and the call handler explained she would amend the existing CPA of £34 (which had been running on the first payment plan) so it would continue for the second payment plan. Mr K said he thought he had a standing order set up – but she said he hadn't, and the CPA would take care of the payments. I can then see that Mr K made additional payments by debit card on 15 May 2022 and 15 June 2022 – these weren't needed and were returned to his bank account by Vanquis. So here, I don't consider that Vanquis acted unreasonably – and the duplicated payments were because of Mr K's actions.

Several calls with Vanquis dropped out:

Vanquis can't tell us why this happened. They've shown us the call records which show calls were ended both by Vanquis and Mr K on different occasions – Vanquis say there may have been a connection problem. I think it's reasonable to assume that was the case. This was unfortunate and frustrating for Mr K, but I can't hold Vanquis responsible here.

Vanquis didn't deal with the charging of interest or the duplicate payments in their final response:

I agree that Vanquis didn't address the charging of interest in their final response – but the response did deal with the duplicated monthly payments. I listened to the call on 20 June 2022 – and on it, Mr K clearly set out his complaint points, including the charging of interest on his account. In fact, that was his main complaint point. Vanquis did refund £232.82 as a result of that call, and a previous call that day. So – they dealt with the points Mr K raised on the phone.

But – Mr K's complaint – as put to Vanquis on the call – was that it shouldn't have been necessary for him to call them many times to sort this out. I can see he called Vanquis eight times on 17 June 2022 and twice on 20 June 2022. I can appreciate that this was time consuming and stressful for Mr K, as he has said. And - it was unfortunate that Vanquis didn't deal with this point in their final response.

Therefore, I think it is reasonable to ask Vanquis to pay an amount of additional compensation for this omission in their final response, and for the time taken by Mr K to contact Vanquis several times about the charging of interest. I propose an additional amount of £100 is paid.

Responses to the provisional decision:

Vanquis accepted the provisional decision. Mr K did - except for one point. He said:

- He hadn't entered his password incorrectly. He was certain about that.
- He tried to log on on 10 April 2023 – and again, he was told his password was wrong. But he said it couldn't be.

To clarify what had happened, we put this to Vanquis. They told us that it was the case that Mr K's password had expired, and he needed to reset it. It was Vanquis' process that if a log on hadn't been done within the last 30 days, a password reset would be needed. They also told us that it's likely that happened in June 2022 – when Mr K complained.

This was contrary to what they'd told us before. Vanquis' internal records show 'wrong password' – which is what I'd relied on before when I wrote the provisional decision. But in fact, this may be due to an expired password - requiring a reset. Vanquis told us that if customers have problems login in, they are prompted to get in touch.

I therefore need to consider whether to award Mr K more compensation for this. But Vanquis also sent to us a recording of a call on 2 August 2022. I listened to it. The call handler explained that the password expires after a period and needs to be reset. She helped Mr K log on successfully.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The provisional decision has been accepted by Vanquis and Mr K, other than the issue of the resetting of Mr K's password. I've considered whether that warrants an increased amount of compensation.

While I understand the resetting of the password after non-use for 30 days can be frustrating - it is part of Vanquis security processes. And we can't ask them to change that – it is not within our mandate. And because I heard evidence (on the call on 2 August 2022) that Mr K was advised that passwords expire after a period – he was advised about it. So - I'm not persuaded to award a higher amount of compensation.

Therefore, my final decision is unchanged from the provisional decision.

My final decision

I uphold this complaint. Vanquis Bank Limited must:

- Pay compensation of £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 22 May 2023.

Martin Lord
Ombudsman